



# **Lincolnshire**

## **Wildlife Trust**

### **ANNUAL REPORT**

and

### **FINANCIAL STATEMENTS**

for the year ended

31 March 2018



**ANNUAL REPORT  
and  
FINANCIAL STATEMENTS  
for the year ended 31 March 2018**

<b>CONTENTS</b>	<b>Page</b>
Chairman's Annual Report	1
Report of the Trustees	
- Objectives and Activities	2
- Strategic Report	3
- Financial Review	9
- Future Plans	13
- Structure, Governance and Management	14
- Reference and Administrative Details	17
- Financial Support	19
- Statement of the Board's Responsibilities	20
Statement as to Disclosure of Information to Auditors	20
Independent Auditor's Report to the Members of Lincolnshire Wildlife Trust	21
Consolidated Statement of Financial Activities	23
Consolidated and Charity Balance Sheet	24
Consolidated Cash Flow Statement	25
Notes to the Financial Statements	26



**CHAIRMAN'S ANNUAL REPORT  
for the year ended 31 March 2018**

The decision to leave the European Union has again been at centre stage for most of the year under review and some progress has been made in influencing government to honour its pledge to be the first to leave the environment to the next generation in a better state than it inherited it.

The Trust has continued to work in conjunction with The Royal Society for Wildlife Trusts through The Greener UK coalition – an umbrella body, which comprises 13 major environmental organisations with a combined public membership of 7.9 million. This work has focussed on the need for an Environment Act, which clearly identifies the key environmental principles incorporated within current EU laws and establishes a body with sufficient clout and resources to hold government and other authorities to account when these principles are breached.

In addition, much time has been spent in responding to a number of government consultations, including those on agriculture, fisheries, the national planning framework and Marine Protected Areas. Through RSWT, the Trust is supporting the campaign “Towards a Wilder Britain” which encourages the creation of a Nature Recovery Network to bring back wildlife to every neighbourhood.

During the year, the Board sought additional Trustees; following an open invitation in Lapwings magazine and after a rigorous interview process four new Trustees were appointed in November 2017. Unfortunately, Amy Rose has found it difficult to combine her role as a new mum with the responsibilities of a Trustee, so she has reluctantly had to step down from the Board. I would like to thank Amy for her support and wish her well in her new role. The other three Trustees have settled well and are making a very useful contribution to the work of the Board.

As the financial year drew to a close, the Trust started to review its Articles of Association and after reference to our lawyers, the Board expects to place proposals for a new way of operating before members at the Annual General Meeting in October.

At a personal level, I have thoroughly enjoyed my first full year as Chair and would like to thank my fellow Trustees for their support in dealing with some challenging issues. In addition, I have been encouraged by the commitment and energy evidenced by our hard-working and dynamic team of staff, ably supported by a fantastic number of volunteers. In essence, volunteers are at the heart of most of the things we are able to achieve, and it is my pleasure to thank them and the staff for all they do to support the work of the Trust. As we approach the Trust's 70<sup>th</sup> anniversary towards the end of this year, I am sure that our former President and founder, the late Ted Smith, would be delighted to see the progress the Trust has made.

Long may that continue!



**REPORT OF THE TRUSTEES  
for the year ended 31 March 2018**

The Board of Trustees has pleasure in presenting its report together with the audited accounts for the year ended 31 March 2018. The Board has adopted the provisions of the Charities SORP (FRS 102), Accounting and Reporting by Charities: Statement of Recommended practice applicable to charities preparing its accounts in accordance with the Financial Reporting Standard applicable in the UK, in preparing the annual report and financial statements of the charity. The accounts have been prepared in accordance with the Companies Act 2006.

**OBJECTIVES AND ACTIVITIES**

Lincolnshire Wildlife Trust is required by charity and company law to act within the objects of its Memorandum of Association, which are as follows:

4. *The Objects for which the Trust is established are, for the benefit of the public:-*

4.1 *To advance, promote and further the conservation, protection and enhancement of:*

- (i) wildlife and its habitats;*
- (ii) areas of natural beauty or heritage;*
- (iii) areas of zoological, botanical, mycological or other biological scientific interest;*
- (iv) areas with geological, geographical, geomorphological, archaeological or amenity value in particular, but not exclusively, in ways that further biodiversity.*

4.2 *To advance education in:*

- (i) the principles and practice of biodiversity and geodiversity conservation;*
- (ii) the principles and practice of sustainable development. The Trust defines sustainable development as 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'*

4.3 *To promote research in all branches of study which advance the Objects specified previously and to publish the useful results thereof.*

**Vision**

Lincolnshire and the neighbouring sea and estuaries to be rich in wildlife for the benefit of all.

**Mission**

To safeguard wildlife in Lincolnshire and in the neighbouring sea and estuaries by:

- protecting existing wild places as reservoirs of biodiversity;
- restoring and creating wildlife habitats;
- sharing this vision with others, particularly relevant decision makers;
- encouraging more people to enjoy Lincolnshire's natural environment and to understand the need to conserve it;
- promoting research projects which lead to a better understanding and appreciation of the natural world.

**Principal Activities and Strategies for the Year**

During the year effort has focused on delivery of the five year Strategic Plan which commenced April 2015. These are under three principal headings:

- **To create Living Landscapes - a resilient and healthy environment rich in wildlife**
- **To restore Living Seas - where marine wildlife thrives, from the depths of our seas, to our estuaries and coastal shallows**
- **To inspire people, organisations and communities to value and safeguard wildlife**

## STRATEGIC REPORT

### **Achievements and Performance**

Looking at the three strategic headings:

#### **To create Living Landscapes - a resilient and healthy environment rich in wildlife**

- *Work in partnership to develop more, bigger, better and joined areas of wildlife value, influencing organisational and individual policies and practices.*
- *Expand the wildlife rich core of Living Landscapes by extending and connecting our nature reserves through acquisition and working with farmers and other land managers.*
- *Manage nature reserves well and achieve conservation objectives for appropriate land management.*
- *Develop and implement a strategic approach to the management of alien invasive species.*
- *Assemble the social, economic and environmental evidence which shows the benefits of Living Landscapes.*

#### ***Lincolnshire Coast and Grazing Marshes***

Heritage Coast status is progressing, where the Trust is working with East Lindsey District Council, Lincolnshire County Council and Natural England on the formal application process. The Environment Agency's coastal strategy for flood defence will potentially see significant changes to the management of the coast between Saltfleet and Gibraltar Point. The Trust is actively engaged in this process.

The Trust continued nature reserve management of Saltfleetby-Theddlethorpe Dunes National Nature Reserve (NNR) in support of Natural England (NE). Discussions to achieve a 'super NNR' combining this NNR with the adjacent Donna Nook NNR, to coordinate planning and delivery of reserve management across a large nature reserve, made limited progress. The appointment of new NE staff to the site, including an apprentice, is hoped will aid this process.

The Trust, along with Natural England, The National Trust, Plantlife, The Wildlife Trusts and Natural Resources Wales, will work with local coastal communities through a project known as Dynamic Dunes, to conserve and restore up to 7,000 hectares of sand dune habitat in nine counties across England and Wales, including Lincolnshire. As well as habitat work, our ambitious plans also involve the re-establishment of residential training centres at two locations, one being to replace the building lost to the 2013 surge tide at Gibraltar Point National Nature Reserve. Two large funding applications have made it through first round assessment.

Further plans have been developed to re-naturalise parts of Gibraltar Point affected by the 2013 floods. This involves modifying creeks and removing redundant banks to improve tidal flow on the saltmarshes. It is anticipated permissions and funding will be in place for work to commence in 2019. The lease for Gibraltar Point from Lincolnshire County Council was renewed in March 2018 for another 30 years. The subleases with the Crown Estate and Duchy of Lancaster covering large parts of the coastal margin of the nature reserve have been rolled over and continue unchanged for now.

#### ***South Humber Bank***

At the Trust's Far Ings National Nature Reserve another winter of major reserve management works by staff, volunteers and a team from North Lincolnshire Council has seen further areas of reedbed enhanced for breeding birds such as bittern. The previous winter's work was rewarded with two bittern fledging from the site, the first successful nest for nearly ten years.

An externally funded 'nature reserve trainee' has been posted to the South Humber reserves, contributing to delivery of reserve management work while supporting the individual's development for a career in nature conservation.

North Lincolnshire Council put 5.5 acres of SSSI grazing land adjacent to Far Ings NNR on the market. The Trust successfully bid to acquire the land.

A report focused on the Humber's Natural Capital, including Trust activity, was published by the Humber Nature Partnership <http://humburnature.co.uk/admin/resources/investing-in-natural-capital.pdf>

## ***South Lincolnshire Fens***

Baston Fen (celebrating 50 years this year as a Trust reserve) and Willow Tree Fen remain a focal point for the partnership work in the area, receiving visits from senior representatives of NE, EA and others. Action to address alien invasive species at Willow Tree Fen is underway.

The Water Resources East and South Lincolnshire Water Partnership initiatives have further raised the Trust's engagement in the area, with potential to demonstrate nationally significant multi-use sites for water and wildlife.

The Trust provides secretariat to the regional Fens partnership, Fens for the Future, covering the whole natural area across four counties, seeking opportunities to learn from one another and to secure joint funds to deliver landscape scale improvements. The Trust also hosts the South Lincolnshire Fenlands Partnership Project Officer and provides secretariat.

## ***Kirkby Moor and Environs***

The transformation of the old Woodhall Spa Airfield into a nature reserve is well underway. Positive indicators, across a range of nationally rare habitats include small flowered catchfly, bittern present throughout the summer, breeding marsh harrier, and adders. An expanding livestock operation for conservation grazing includes the Trust's breeding herd of Lincoln Red cattle and a flock of 120 breeding Hebridean sheep

At the nearby Moor Farm nature reserve the creation of a linking corridor of improved wet heath habitat has seen a significant re-colonisation of heather, the spread of lousewort as far as Rush Bottom Close and the expansion of cotton grass into new areas.

Roughton Moor Wood nature reserve received national attention following the discovery of a war time dump of mustard gas. The site remained closed throughout the second half of the year.

## ***The wider environment***

Management of the Trust's 3,850 hectares estate of nature reserves protected some of the richest areas for wildlife in the county.

Over 5,000 viable seeds of tall thrift, *Armeria maritima* ssp. *elongata*, from Ancaster have been added to the Millennium Seed Bank after collection last year, described by Royal Botanic Gardens, Kew UK Collections Coordinator as "*highly valuable conservation collection*". Propagation to support the site population continues.

Pasqueflower has been successfully translocated on to the newly restored Badger Farm 'event field' for the first time; a significant step in the long-term restoration of chalk grassland at Red Hill nature reserve.

Working with partners, the Trust has helped with various translocation events of the native white-clawed crayfish to safer "ark" sites.

The Trust has representatives on various Local Action Groups for EU Leader funding where local grant applications are considered and the Trust provides environmental expertise influencing projects relating to farming innovation, forestry, heritage conservation and tourism.

The Trust remains actively involved in forward planning to try to ensure appropriate policies are included in local and national plans and strategies to protect nature conservation sites from inappropriate development and other activity, and achieve more resilience to climate change and other pressures.

During the year the Trust worked closely with all the county's local planning authorities and other strategic planning bodies, and contributed to the following development documents, for example:

- Environment Agency – the Saltfleet to Gibraltar Point Strategy and various elements of the Humber Strategy.
- Natural England – the English Coastal Path on the two stretches from Skegness to Mablethorpe and Mablethorpe to the Humber Bridge.
- East Lindsey District Council – Local Plan: examination hearings.
- City of Lincoln Council – pre-application discussions with partners on several large scale developments such as the Western Growth Corridor.



- Greater Lincolnshire Local Enterprise Partnership and Anglian Water – providing case studies via two routes to Defra on what to consider in the 25 Year Environment Plan.

The Trust checked 9,900 forward planning and development control applications against the Trust's planning criteria, of which 370 development control planning applications were reviewed in detail, 119 were responded to. A further 43 forward planning and other documents were reviewed, eliciting 35 written responses.

The Trust plays an active role in the Greater Lincolnshire Nature Partnership (GLNP), which it hosts. The Partnership complements the Trust's advocacy work, particularly on planning, agriculture, tourism and health. The Nature Partnership's conference in November celebrated five years of GLNP's work and contributed to planning for the next five. GLNP is undertaking a review of Sites of Nature Conservation Interest (SNCIs) originally surveyed in the 1970-80s. Of the 600 sites, 120 will be subject to resurvey for consideration as Local Wildlife Sites. The GLNP hosted Local Environmental Records Centre with over 5 million species records is amongst the top five centres in the country. GLNP is leading on national work to secure a long-term future for record centres. More details of the activity and achievements are available in its Annual Review 2017-18. <https://glnp.org.uk/admin/resources/glnp-annual-report-web.pdf>

## **To restore Living Seas – where marine wildlife thrives, from the depths of our seas, to our estuaries and coastal shallows**

- *Work to increase the coverage of and protection afforded by Marine Protected Areas in 'Lincolnshire Waters'.*
- *Work to improve marine planning, policies, laws and practices and work with stakeholders to improve the marine environment.*
- *Raise the profile of the North Sea's wildlife and the Wildlife Trust's role in protecting it.*
- *Work to increase knowledge of Lincolnshire's marine environment through monitoring and surveys.*

The Greater Wash proposed Special Protection Area (pSPA) has been approved by the Secretary of State and added to the register of European Sites in England. The Trust responded to the formal Government consultation in support of its designation early last year. Following sign-off from the European Commission later this year, this site will be classified as a designated MPA, and is of material consideration when it comes to marine planning applications. The 3,536km<sup>2</sup> site connects some of the existing SPAs and other designations in the region and will specifically protect six avian features: little tern, common tern, sandwich tern, common scoter, red throated diver and little gull.

The Trust also responded to numerous consultations by the government on conservation advice packages for Marine Protected Areas (MPA) and to offshore development consultations working with our North Sea neighbouring Wildlife Trusts to ensure consistency.

Five years of continuity funding has been secured for the national Living Seas Sustainable Development Officer role hosted by the Trust. This is the second grant from The Esmee Fairbairn Foundation after an original grant from RSWT's Strategic Development Fund. The Officer provides marine conservation support to the Trust in addition to national responsibilities.

Theatrician, Louise White's, production of *The Dead Sea*, developed with support and encouragement from the Trust, toured the county and region. The performance looked to get all ages excited about saving our planet and looking towards the future. The production is particularly timely given the growing interest in the issue of marine plastic including the BBC's *Blue Planet 2* and government announcements. In response a number of Trust organised public beach clean events were very well attended. A review of single use plastics used by the Trust showed relatively low levels; steps were taken to remove these items.

The Trust supported The Wash & North Norfolk Marine Partnership to secure funding for research to value the natural capital of the Wash.

## **To inspire people, organisations and communities to value and safeguard wildlife**

- *Influence decision makers (public and private) to improve the status of wildlife in Lincolnshire.*
- *Increase the value that people place on Lincolnshire's wildlife and environment.*
- *Inspire people to be Wildlife Trust members, donors and supporters.*
- *Engage a wide range of people with a presence at public events and locations.*
- *Recruit, train and develop volunteers to contribute where they are most needed.*
- *Develop digital technology to complement traditional approaches to communication.*
- *Maintain high quality centres and satellite sites to deliver life-long learning.*

## ***Brexit and Government 25 year environment plan***

The snap election, while a surprise, came at a time when the environmental NGOs were working closer than ever following the UK decision to leave the EU. The Wildlife Trusts, along with twelve other NGOs, had launched a manifesto for a greener UK. In Lincolnshire, all MPs were engaged prior to and since the General Election with varying levels of success. Under the Chairman's direction, Area Groups and other volunteers are being encouraged to engage directly with their constituency MP. The Trust has input directly with the Government's 25 year plan process as well as responding to the Natural Environment and Rural Communities (NERC) review undertaken by the Government.

## ***Lincolnshire County Council (LCC)***

LCC remains an important partner; the political balance at LCC remained substantially unchanged after the local elections with many key people remaining in post and the return of some councillors to important roles. The Joint Advisory Committees (Wolds, Gibraltar Point and Snipe Dales), along with the Whisby Steering Board, provide useful access to councillors and officers to build support. There has been considerable input into various local authority plans with some notable success for inclusion of Wildlife Sites data.

## ***Lincolnshire's Plants: Past and Future Project***

The three year HLF funded project, now known as Love Lincs Plants, is underway in partnership with Lincolnshire Naturalists' Union, Sir Joseph Banks Society, and the Natural History Museum (NHM). The Project Officer is in post, first plant specimens have been collected and the project is receiving good publicity. The historic herbarium has now been transferred to the NHM for curation.

The Trust's relationship with the University of Lincoln, an associated partner in the Love Lincs Plants project, is strengthening. The University's new Ecology and Conservation BSc, seen as a key vehicle for the project, is due to start in 2018 and the Trust has informed the contents and will help deliver some elements of the course.

## ***Wider Engagement and Education***

Wildlife Watch, groups for young people, has had another successful year. The majority of groups are led by volunteers, often working closely with their local Area Group or Voluntary Reserve Managers. All groups were present at this year's annual training day which included a very well received session on plants. The Alford Group attended the Countryside Show at the Lincolnshire Showground; the plastic waste activity (provided by the Gibraltar Point team) was very successful and acclaimed by North Lincolnshire Council.

From Far Ings education centre there is continued effort to make links with community groups including a local social housing provider and completing the Woodland Trust's Trees for Schools Project. More outreach activities in the parks in Scunthorpe and Barton are being planned for 2018.

Visits to Gibraltar Point have included primary, secondary, A level and university groups. University of Lincoln brought its first intake of geography students to build their fieldwork skills, and Bishop Grosseteste University came with students to find out more about how the coast can be used to support their teaching and its benefits for fieldwork skill development.

Whisby hosted an inset day for the staff of North Scarle Primary School; this day was to enthuse and excite teachers as to the possibilities of outdoor learning. St Michael's Primary School held a day of activities led by the school staff demonstrating that the training the Trust offers to teachers encourages them to use the outdoors for as much as they can. The Trust is looking at how to link health and wellbeing with the outdoors and school curriculum.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

Beyond the formal centres, Snipe Dales' appeal for education visits continues to increase with 1,500 visits last year. Delivery at Willow Tree Fen continues to be supported through a local environmental education provider organising and delivering sessions, in addition to those run by staff, the Area Group and Watch Group.

Area Groups have delivered a huge range of events across the county from nature reserve open days to coffee mornings, representing the Trust 'on the doorstep'. Two Area Groups, Lincoln and Grantham, celebrated their 50<sup>th</sup> anniversaries.

Looking ahead, the Dynamic Dunes project, currently under development to secure funding from the Heritage Lottery Fund and European LIFE (L'Instrument Financier pour l'Environnement), will increase resources for public engagement along the Lincolnshire coast from Cleethorpes to Gibraltar Point. This will support some continued delivery at Natural England's Saltfleetby Theddlethorpe Dunes NNR which has reduced with the end of local funding. The Trust is leading on the engagement with audiences living with dementia.

## **Volunteers**

Volunteers are involved at every level and in every aspect of the charity's work. Volunteer roles include membership of the Board, Council and Teams; participation in one of 16 Area Groups which exist to support our work locally; centrally appointed roles such as Voluntary Reserve Managers, Watch Leaders, representatives on a variety of other bodies; and helping at visitor centres, with events and administration. The Trust is essentially a voluntary organisation with activities organised on the basis that volunteers play an essential part in managing the charity's affairs, in deciding on its priorities and in conducting a large part of its business. As well as harnessing great resources of expertise, knowledge and energy, our voluntary character has great benefits for involving individuals and communities and lends local grassroots credibility to our work. This philosophy is reflected in the approach of staff to their work and in our governance structures. Without this support the Trust could not function as volunteers deliver the equivalent in working hours as the employed staff.

## **Public Benefit Statement**

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Trust's public benefit is enshrined in its charitable objects as outlined above.

## **Fundraising**

The Trust's approach to fundraising is to be honest and transparent with its donors and supporters about where their money goes and why the charity asks for donations. The Trust publishes information widely about its work and seeks to keep everyone informed. The Trust communicates clearly why it needs donations and what activities money will be spent on.

In recent years there have been several important changes to the way charity fundraising is regulated. Responsibility for the Code of Fundraising Practice is now with the Fundraising Regulator. The Trust complies with the Fundraising Regulator's Code of Fundraising Practice and the six guiding principles identified in CC20, the Charity Commission guidance for Trustees on charity fundraising.

Trustees are very aware of the need to uphold the highest standards of fundraising practice to safeguard the good reputation of the Trust, which has built up through many years of accumulated good work. Whilst day-to-day responsibility for fundraising is delegated to staff, the Trustees remain ultimately responsible and fundraising practice is regularly discussed through the work of the Board. Membership income targets are set through the budgeting process and with the recruitment company. The actual income achieved in 2017-18 increased by 8%. Fundraising is included on the Trust's risk register which is monitored by Trustees. There is a process, including escalation to Trustees, to review complaints from members and the wider public to ensure the Trust's fundraising practice is consistently carried out and any lessons learned.

Together with eight other Wildlife Trusts, the Trust established a wholly owned Wildlife Trust membership recruitment company. The company is managed by a Board of directors which is made up of Wildlife Trust staff, Trustees and other experts. This company is transparent in its fundraising techniques, regulated by the Institute of Fundraising and meets with its member Trusts every 6 months. There is a written agreement between the Wildlife Trusts agreeing fundraising standards, monitoring of fundraisers and compliance. A single membership recruiter is also employed directly by the Trust.

## **Risk Management**

The Trustees continue to keep under review their assessment of the major risks to which the charity is exposed, and have taken steps to mitigate the risks that have been identified. The risk register, in a format consistent with other Wildlife Trusts for ease of comparison, was reviewed and maintained.

The process of the UK leaving the European Union (EU) has resulted in significant uncertainties for the Trust impacting on land management, environmental legislation and funding. The full impact is yet to be fully understood and the Trust is working closely with RSWT to mitigate the risks and take opportunities which might arise.

Significant concerns remain over the implementation of agri-environment payments. This has a bearing on income for the Trust but also impacts on nature conservation in the wider countryside by other landowners. The Trust has good systems in place to manage the current system; these will be kept under review. Adequate financial reserves are maintained.

Work related stress resulting in staff absence and reduced performance is recognised as a risk. The Trust maintains effective human resource and health and safety management systems. Implementation of a new employee assistance programme and awareness raising is underway.

## **Charity Governance Code**

The new Charity Governance Code was published on 13 July 2017. It replaces the Code of Good Governance and has gained support of the Charity Commission, which recently withdrew its own guidance Hallmarks of an Effective Charity (CC10), previously used as a tool by the Trust.

The aim of the code is "*to help charities and their trustees develop these high standards of governance*". Although not a legal or regulatory requirement, the code sets out principles and recommended practice for charities and Trustees who wish not only to achieve good governance but strategies to continuously improve and develop. Good governance is ensuring that the charity has adequate policies, systems and procedures in place and that these are followed. It is also about encouraging appropriate attitudes, behaviours and values.

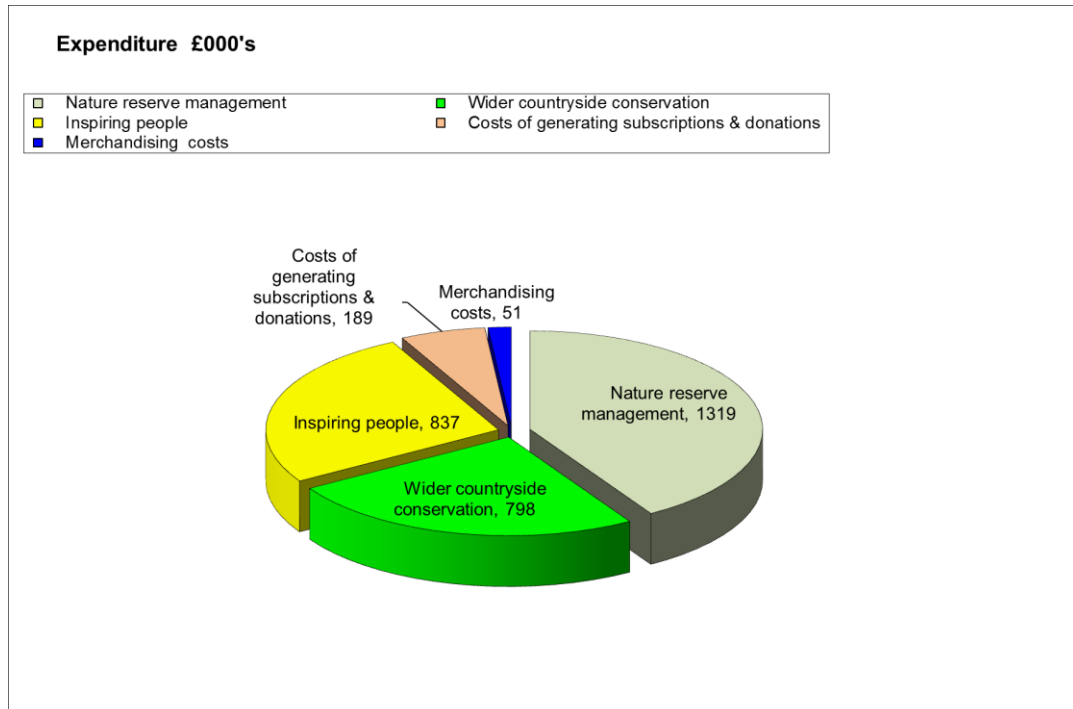
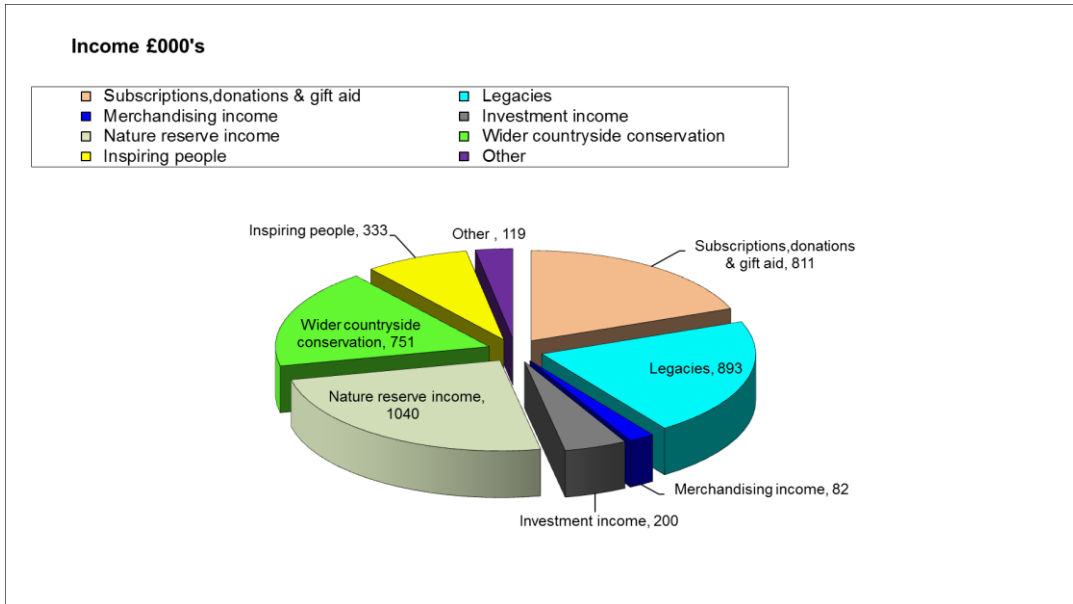
The Trust has adopted the Charity Governance Code and completed an initial review of the recommended practice. Some changes have been made to apply practice and in some cases an explanation of what has been done or why a particular aspect has not been applied are included in this report.

**FINANCIAL REVIEW**

**Financial Review of the Year**

During the course of the year, the Trust received total income of £4,230,416, a considerable increase from the previous year (£2,812,266), mainly because of exceptional restricted income.

Total expenditure was £3,194,070 against £3,047,187 in 2017. Whilst the overall surplus is very encouraging, the unrestricted expenditure exceeded unrestricted income by £239,519 (£206,843 last year).



During the year, we were fortunate to receive a restricted legacy of £750,000 and £100,000 from the HLF Catalyst Fund. This lottery grant helped to boost our financial reserves and, at the same time, facilitated the establishment of financial reserves for London Wildlife Trust. In addition, a successful application was made to HLF in respect of the Lincolnshire Plants: Past and Future project. We expect to receive a net amount of c£266,000 over three years, but have had to account for total project income of £499,000 in these accounts. This has been provided in Other Debtors.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

The ongoing issue of the non-receipt of HLS payments has been a great concern. At 31 March 2018, the accounts included a debtor of £391,621 in respect of outstanding amounts. The situation, which goes back over several years, has been raised with the Chief Executives of both the Rural Payments Agency and Natural England. Reassurances were provided by both organisations and HLS payments have started to come through as the accounts were being prepared, but a large number of agreements have attracted queries and reclaims. These are generally based on poor inspection findings back in November 2016 and when justified, these are being disputed. Immaterial issues, which are not economically worthwhile to dispute individually, will be dealt with collectively when sufficient material has been generated.

Membership at the year-end stood at 28,457 members compared to 28,225 at 31 March 2017. Income has increased by 8% due to higher subscriptions from members.

In addition to the substantial legacy mentioned above, the Trust has benefitted from a number of other bequests. We are indebted to everyone who has supported the Trust's work in this way. Over the years legacies have enabled the Trust to acquire new reserves, manage them better and improve visitor facilities, whilst building up financial reserves to support the ongoing work.

This year the purchase of land at Rush Furlong near Haxey has been completed at a cost of £103,051. The Trust benefited from grants received of £88,000 in respect of this purchase.

There have been some changes to the Trust's investments this year with funds transferred from M&G Charibond to the mixed CCLA COIF Investment Fund. The Trustees review performance each quarter and take appropriate advice. The Trust's advisors have confirmed that in their opinion, the investments are well diversified and support the investment strategy. For this year unrealised gains brought into the accounts amount to £48,568 compared to £451,561 last year.

The agreed contribution of £200,000 towards the cost of the new Visitor Centre at Gibraltar Point was paid using funds from the insurance claim the Trust received following the 2013 flooding. The contribution has been treated as a prepayment in the accounts, which will be written off over 30 years, the period of the lease. Trading at the Centre is now generating profits as shown in the accounts.

Overall, in terms of restricted income, the Trust has enjoyed an excellent year, but the unrestricted position continues to be challenging as does the political outlook. Thankfully, the Trust is well capitalised and has financial resources to meet the future.

The Trust has spent £2,954,051 on its charitable activities during the year which represents 92.5% of total expenditure. This has been spread across Nature Reserves, Wider Countrywide Conservation and Inspiring People.

## **Financial Reserves Policy**

The Trust's unrestricted financial reserves are divided between five Funds:

The Conservation Fund  
The Legacy Equalisation Fund  
The Capital Grants Fund  
The Development Fund  
The General Fund

The **Conservation Fund** has been established over a number of years to provide a regular and secure source of investment income to support the essential work of the Trust. In general terms, the Trust looks to its membership and investment income to support its core costs of operation. The Conservation Fund also demonstrates the inherent strength of the organisation, which can be important when approaching funding sources for finance to undertake long-term projects in line with the strategic objectives.

From time-to-time the Trust may transfer funds from the Conservation Fund to support major acquisitions and in such circumstances there is a clear determination for such sums to be restored over a period of time as and when surplus funds are available. The Conservation Fund remains fully invested and any increases or decreases in value at the year-end are reflected in the fund. At the year-end the fund stood at £3,465,555.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

The **Legacy Equalisation Fund** was established to enable the Trust to dampen the effect of annual fluctuations in the flow of legacy income and cope with a year when unrestricted legacy income is lower than the historical ten-year average of £445,260. The current reserve of £806,294 therefore provides a “safety net” for a minimum of two years.

The **Capital Grants Fund** represents grants received for capital assets. Amounts are released over the life of the underlying assets. The value of this fund at the year-end was £64,038.

The **Development Fund** represents the Trust’s disposable income outside the existing annual budgetary process and provides a pool of finance for a variety of opportunities, including urgent and important land acquisitions, providing matching resources for external funding applications and the financing of specific short-term posts or projects.

The timing of acquisition opportunities, together with their magnitude, is unpredictable and it is the Trust's aim to maintain this Fund at a minimum of £200,000 dependent on the flow of available income, chiefly from legacies. The Fund currently stands at £261,895.

The **General Fund** represents the working capital of the organisation, providing headroom for stocks, debtors and cash-flow fluctuations. Based on current turnover and needs the Fund is maintained at a figure of £500,000.

The Trust also holds a variety of restricted financial reserves, which support a variety of projects and posts. The balance of the restricted funds held at the year-end is £1,562,727. This is a significant increase as a result of a restricted legacy from the estate of Angela Bates.

## **Endowment Funds**

The Trust has endowment funds arising from assets being bequeathed to them from legacies or from assets donated to them. Details of the assets within this fund can be found in note 16 to the accounts.

## **Catalyst Endowment Fund**

This fund has arisen following a joint application with the London Wildlife Trust to the Heritage Lottery Fund. This joint grant contract provides a grant from HLF, and along with match funds raised, totals £500,000 for each Trust. This grant is to be held as an endowment fund with the income generated being restricted to supporting the Trust’s nature reserve management. The endowment cannot be drawn down until 1 January 2022 and withdrawal of capital will be subject to the conditions within the funding document and the deed of cooperation between the two Wildlife Trusts. The Trust’s funds are fully invested as per the Conservation Fund. Further details can be found in note 17.

## **Investment Policy**

### 1. Introduction

The Trust currently has an investment portfolio of £4,879,984, invested in two funds managed by CCLA (COIF Investment Fund and COIF Property Fund) and one M&G Fund (Charifund). During the year the Trust transferred funds from M&G Charibond to CCLA COIF Investment Fund.

From time-to-time the Trust has investment properties that have been acquired in a variety of ways but mainly through legacies. Continued ownership of these properties is reviewed on a regular basis and where circumstances allow, properties are sold to generate cash to support the Trust’s activities or for further investment.

Investment income provides an important source of revenue to augment membership subscriptions in support of the Trust’s core operating costs. As such, a steady and regular income is key to the long-term viability of the Trust’s operations.

Investment powers are provided within the Trust’s Memorandum and Articles. The Board of Trustees is responsible for setting the Investment Policy following recommendations made by the Finance Monitoring Group.

## 2. Investment Objectives and Attitude to Risk

The Trust requires a regular and secure level of investment income to support its core operational costs, whilst protecting the capital value of the investments in the longer term. At the current time, investments valued at £4,879,984 produce an income of £200,027 per annum (a yield of 4.1%). When contemplating new investments the Trust will seek to achieve a return in the region of 4% in the current economic circumstances.

The Trust will hold its investments in a variety of ways, which may include the creation of a specific portfolio of direct share and bond holdings, managed by well-regarded and highly rated investment houses. In addition, the Trust may purchase units in a variety of “charitable income funds”, which allow ready access to liquidity in times of need.

In order to mitigate risk, there is a preference to invest with a number of providers, with a minimum of two and a maximum of four investment houses.

The Trust does not have a specific ethical policy but given the Trust’s charitable status there is a clear preference to invest in “charitable investment funds” which have an appropriate ethical policy.

The Trust recognises that by focusing on a high level of investment income, there is a risk that the value of the investments may not keep pace with inflation and it is determined to increase the value of the portfolio by making additional investments when surplus funds are available.

## 3. Liquidity Requirements

In the light of current low interest rates, there is a preference to keep the majority of the funds invested to provide a higher level of income. The Trust will always maintain sufficient working capital to cover its on-going requirements outside this Investment Policy and will maintain a minimum of £200,000 in a cash deposit with COIF or a similar institution. This sum may be increased by the Trust up to a maximum of 10% of the Investment Fund or any other sum that may be required to match the value of the Development Fund.

## 4. Review, Reporting and Monitoring

An annual review of this policy will be undertaken by the Finance Monitoring Group at its August meeting to ensure that the policy remains relevant to the current economic circumstances. A formal report will be delivered to the Board at a subsequent meeting, usually in September. By using different providers, the Trust will be able to compare the performance of each Investment House on an annual basis and seek explanations for differing results and change providers where this is considered to be necessary.



## FUTURE PLANS

During the year ahead effort will focus on delivery of the five-year Strategic Plan which commenced April 2015. These are under three principal headings:

- To create Living Landscapes - a resilient and healthy environment rich in wildlife
- To restore Living Seas - where marine wildlife thrives, from the depths of our seas, to our estuaries and coastal shallows
- To inspire people, organisations and communities to value and safeguard wildlife

Particular activities in the year and indicators of success:

- Brexit and Government 25 year environment plan - through campaigning and lobbying with partners secure strong commitment to safeguard the environment, particularly looking to influence the next land management funding scheme.
- Fens – maintain South Lincolnshire Fen as a key element of a regional strategy.
- Lincolnshire's Plants: Past and Future – successfully deliver this Heritage Lottery Fund funded project in partnership with Lincolnshire Naturalists' Union, Sir Joseph Banks Society, the Natural History Museum and the University of Lincoln.
- Heritage Coast and Dynamic Dunes Project – push forward with the partners the coastal strategy, sensitive implementation of coastal access and complete a successful round two application to HLF for habitat restoration, people engagement and volunteer facilities.
- Use the Trust's 70<sup>th</sup> anniversary for membership retention and legacy promotion.
- Implement new website and fully adopt The Wildlife Trusts' intranet.
- Governance review – complete update of Trust Articles of Association while enhancing engagement with members.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

Lincolnshire Wildlife Trust is a membership body, a registered charity and a company limited by guarantee. It is governed by its Memorandum and Articles of Association, originally dated 2 December 1948 and amended on 23 October 2010. Membership of the Trust is open to all, and the total number of subscribing members at 1 April 2018 was 28,457, a small increase from 28,225 in 2017. Each member is committed to contributing £1 in the event of the charity winding up. The charitable company is controlled by its Board of Trustees. The Trust is grateful for the continuing support of so many people in Lincolnshire and beyond.

### **Appointment of Trustees**

The Articles of Association provide for a Board consisting of Honorary Officers (Chairman, Treasurer and others if required) elected at each annual meeting of Council, and others up to a total of 15 appointed for a 3 year term with option for re-election. If a Trustee has served for more than nine years, their reappointment is: subject to a particularly rigorous review and takes into account the need for progressive refreshing of the Board and explained in the Trustees' annual report. The Board has no power of co-option but may fill a vacancy until the next following annual meeting of the Council. During the period, Trust President, former Honorary Secretary and Trustee, David Robinson, died. Following his sad passing, time will be taken to reflect and think about the appointment of a replacement President. In the meantime the Trust's two Vice Presidents (Brian Tear and Geoff Trinder) will cover the interregnum. Amy Rose resigned as a Trustee.

### **Trustee Induction and Training**

The Trustees are directly involved in planning and implementing activities through the work of the Board and through the Team system. Some Trustees also take part in other work such as biodiversity recording and providing expert advice. All Trustees are well informed about the practical work of the charity. They receive reports and recommendations at their meetings and they attend a variety of Team meetings and other events throughout the year which help to keep them fully engaged with the charity's business.

Trustees' skills are reviewed regularly to ensure that the balance is suitable. New Trustees are inducted into the charity by discussions between themselves and other Trustees and members of staff, as opportunities arise. They are presented with background information and have access to the Charity Commission's website.

### **Organisational Structure**

The Board of Trustees, of up to 15 members with a quorum minimum of 3, meets bi-monthly and is responsible for the governance of the charity. It makes decisions on all matters of strategic policy. There are no sub-committees but a Finance Monitoring Group is appointed to maintain an overview of financial matters and to advise the Board accordingly. In addition, Teams, consisting of volunteers and relevant staff, cover a range of Trust activities and advise the Board where appropriate. The Board is also advised on broad policy direction by the Council which has up to 15 members (limited to 9 by resolution in General Meeting) elected at the Annual General Meeting who represent the subscribing members, and 16 members appointed by Area Groups. This structure is under review and likely to change after consultation and subject to approval at the AGM. A Chief Executive is appointed by the Trustees to manage the day-to-day operations of the charity. The staff structure is organised around three Heads of Department for Finance (including membership and administration), Conservation (includes the GLNP) and Nature Reserves (the majority of this department is field based) with additional staff positions covering other functions such as education and community (based at education centres) and public relations.

### **Staff**

Good staff and volunteers are fundamental to achieving the Trust's objectives. The staff structure is kept under regular review in order to ensure that it accords with the Trust's objectives and strategies. As at 31 March 2018, the Trust employed a total of 75 members of staff (45 full-time and 30 part-time). Of these, 5 relate to the GLNP, 4 to projects with external funding and 66 to the Trust's core activities.

The arrangement for setting staff remuneration is common for all employees. The Trustees agree an annual cost of living increase (usually based on the Consumer Price Index) with a small panel agreeing any individual changes. RSWT carries out internal and external benchmarking of salaries. This information informs the Trust's approach to remuneration for new and existing staff.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863

Charity No: 218895

## Related Parties

Lincolnshire Wildlife Trust is one of 46 independent Wildlife Trusts covering the UK, Isle of Man and Alderney which are corporate members of RSWT. This is a reduction from 47 following the merger of two Welsh Trusts. RSWT helps to develop UK and national policies, provides operational advice and services to the Trusts, and acts as our collective voice.

The Trust has a direct subsidiary, Lapwings Consultants Limited. It exists as a trading company to support the charitable work of the Trust through donation of its profits from retail sales.

The Trust acts as the host partner as well as active member of the GLNP responsible for the Lincolnshire Biodiversity Action Plan, the Lincolnshire Environmental Records Centre, and the management of the Local Wildlife Sites system.

The Trust, along with eight other Wildlife Trusts, is part of Wildlife Fundraising (Central) Limited, a mutual company for the purpose of recruiting members. The Trust's Chief Executive is a director of the company.

## Wider Network

The Trust works with a large number of organisations in pursuing its aims. Partnerships with local authorities, statutory agencies and other voluntary bodies are a hallmark of our way of working.

Other important partnerships are:

- **Association of Drainage Authorities:** The Head of Conservation sits on the Lincolnshire Environment Group with all the Internal Drainage Boards of Lincolnshire and other key bodies.
- **Greater Lincolnshire Local Enterprise Partnership:** The Chief Executive sits on the Visitor Economy Board. The Head of Conservation sits on Greater Lincolnshire Forum for Agriculture & Horticulture.
- **Campaign for the Farmed Environment in Lincolnshire:** working with Anglian Water, CLA, EA, GLNP, LWCS, NE, NFU, individual farmers and farm businesses. Encourages voluntary management that will benefit the environment.
- **Humber Nature Partnership:** numerous corporate, local authorities, statutory agencies, voluntary organisations and individual members. The Chief Executive and Trustee Cliff Morrison are directors. The Head of Conservation sits on the Relevant Authorities Group for the Humber Estuary European Marine Site in co-ordination with the RSPB and Yorkshire Wildlife Trust.
- **Humberhead Levels Partnership:** Yorkshire Wildlife Trust, Nottinghamshire Wildlife Trust, NE, EA, North Lincolnshire Council, Doncaster Metropolitan Borough Council, East Riding of Yorkshire Council, RSPB, English Heritage, Internal Drainage Boards.
- **Lincolnshire Wolds AONB Joint Advisory Committee & Countryside Service:** working with a wide variety of partners and the team to ensure the special qualities of the area are maintained and enhanced. **The Lincolnshire Chalk Streams Project** is also hosted by them which the Trust contributes expertise to.
- **South Lincolnshire Fenlands:** EA, NE, Sustrans, South Kesteven District Council, South Holland District Council, LCC, Waterside Garden Centre and Welland & Deepings Internal Drainage Board.
- **South Lincolnshire Water Partnership:** working with Anglian Water, Black Sluice IDB, EA, LCC, NE, NFU, Welland & Deeping IDB, UK Irrigation Association, individual farmers and farm businesses. This partnership is directly making a case to the Steering Group, **Water Resource East**, that is considering options for long-term public water resources needs in the East of England.
- **The Wash & North Norfolk Coast Marine Partnership:** the Trust sits on the Full Management Board now as a full partner with the relevant authorities and the chairs of the three local advisory groups. Reserves and Conservation input to the Boston Advisory Group.
- **Various River Partnerships:** looking at river catchment approaches on flood risk management and water quality issues with statutory bodies and other partners across the historic county including the Rivers Ancholme, Lower Trent & Erewash, Steeping & Lymn, Torne, Welland and Witham.
- **North Sea Wildlife Trusts:** Northumberland, Durham, Tees Valley, Yorkshire, Sheffield, Lincolnshire, Derbyshire, Nottinghamshire, Leicester and Rutland, Bedfordshire, Cambridgeshire & Northamptonshire, Norfolk, Suffolk Wildlife Trusts.
- **East Midlands Wildlife Trusts:** Derbyshire, Nottinghamshire, Leicester and Rutland.

## LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

Several of the Trust's nature reserves are operated in conjunction with local authorities, notably:

**Gibraltar Point** near Skegness (LCC and ELDC); **Whisby Nature Park** near Lincoln (LCC and NKDC); and **Snipe Dales** near Horncastle (LCC).

The Trust works closely with NE in the management of **Saltfleetby-Theddlethorpe Dunes NNR** and with the Ministry of Defence in the management of **Donna Nook NNR** and **Wainfleet Range**.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## REFERENCE AND ADMINISTRATIVE DETAILS

<u>Charity Name</u>	Lincolnshire Wildlife Trust The organisation is sometimes referred to simply as The Lincolnshire Trust. Former names were The Lincolnshire Naturalists' Trust, The Lincolnshire Trust for Nature Conservation and The Lincolnshire & South Humberside Trust for Nature Conservation.
<u>Charity number:</u>	218895
<u>Company number:</u>	00461863
<u>Headquarters &amp; Registered office:</u>	Banovallum House Manor House Street Horncastle Lincolnshire LN9 5HF Tel: 01507 526667
<u>Auditors:</u>	Wright Vigar Limited Statutory Auditors Chartered Accountants & Business Advisers 15 Newland Lincoln LN1 1XG
<u>Bankers:</u>	Barclays Bank plc 64 Eastgate Louth Lincolnshire LN11 9PG
<u>Solicitors:</u>	Andrew & Co LLP St Swithin's Court 1 Flavian Road Nettleham Road Lincoln LN2 4GR
<u>Investment Managers</u>	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET  M&G Laurence Pountney Hill London EC4R 0HH
<u>The Board of Trustees and Directors:</u>	Members of the Board are Trustees for the purpose of charity law and are also company directors. They are collectively referred to throughout this report as the Trustees. The Board currently consists of the 5 Honorary Officers and 8 others elected at the Annual Meeting of the Trust's Council.
<u>Patrons:</u>	The Earl of Yarborough Baroness Willoughby de Eresby

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

Presidents: Mr D N Robinson OBE MSc (President) Deceased 24.7.17

Mr B Tear BSc (Vice President)  
Mr G L Trinder ARPS (Vice President)

Trustees/Directors:

Mr D A Cohen (Chair)  
Mrs J Mellor MSc (Deputy Chair)  
Mr T S Sands (Deputy Chair)  
Dr D A Sheppard BSc PhD (Deputy Chair)  
Mr P Stapleton FCA (Honorary Treasurer)  
Mr M Capper  
Mrs C E Harrison BSc  
Mr C Morrison CSci  
Mr R Oates  
Mr J Purvis BSc FCA  
Mrs A Quigley BA  
Mrs S Round BA MSc (Econ)  
Mrs A Rose Stepped down 18.4.18  
Mrs B Tyrrel MIBC

Company Secretary: Paul V Learoyd

Senior Staff:  
Chief Executive: Paul V Learoyd  
Head of Conservation: Tammy Smalley  
Head of Finance: Sarah J Smith  
Head of Nature Reserves: David R Bromwich

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## FINANCIAL SUPPORT

We are grateful to the following for substantial financial support in 2017/2018 through donations, grants and the sponsorship of projects:

Anglian Water Services	Lincolnshire Co-op
Banister Trust	Lincolnshire Wolds Countryside Service
Cargill plc	Lincs Wind Farm Limited
Centrica	Ministry of Defence
Conoco Phillips	Natural England
Defra	North Kesteven District Council
East Lindsey District Council	North Lincolnshire Council
Environment Agency	RSPB
Esmée Fairburn Foundation	RSWT
European Union	SSE
Forestry Commission	Santander
Heritage Lottery Fund	Vine House Farm
Lincolnshire County Council	Woodland Trust

Partner contributions to the Greater Lincolnshire Nature Partnership (hosted by the Lincolnshire Wildlife Trust) are acknowledged in its Annual Review and therefore not individually here.

**Corporate Membership** of the Trust is designed to provide an effective means for companies to demonstrate care for the local environment. The following were Corporate Members during the reporting period:

Able UK	J W Ruddock & Sons Limited
Aggregate Industries	John E Haith Limited
Andrew & Co LLP	John Kinch Group
Anglian Water Services	Jolly Common Caravan Park
ARH Tucker & Sons	Lincolnshire Co-operative Society Limited
Associated British Ports	Mortons of Horncastle Limited
B A Bush & Son Limited	Natureland Seal Sanctuary
Cargill plc	North East Lindsey Drainage Board
Cleethorpes Builders Merchants	Page Paper Limited
Clugston Group Limited	Riva Construction
ConocoPhillips (UK) Limited	Rowhire Limited
Cray Valley Products Limited	SCS Technology Solutions Limited
Creative Nature	Sibelco UK
Crowder & Sons Ltd	Singleton Birch Limited
F W Cupit (Printers) Limited	TCS UK Spraying
Fenland Laundries Limited	Truelove Property & Construction
Grange & Links Hotel	UK Alternative Energy Limited
Holivans Limited	Yara (UK) Limited
Hornsby Travel Services Limited	Woodhall Country Park
J E Piccaver & Co	

We are delighted to record our appreciation to the following individuals whose legacies we received or were notified of in the year ended 31 March 2018

Mary Angela Sarah Bates	Doris Lilian Palmer
John Philip Clough	David Norman Robinson
Jacqueline Cooper	Geoffrey Arthur Taylor
Ida Davis	Olive Muriel Warnes
Richard Alan Hobbs	

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## STATEMENT OF THE BOARD'S RESPONSIBILITIES

The Trustees (who are also directors of Lincolnshire Wildlife Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The members of Board who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the members of the Board have confirmed that they have taken all steps that they ought to have taken as members of the Board in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Report of the Members of the Board, which includes the Strategic Report on pages 3 to 8, were approved by the Board on 24 July 2018 and signed on its behalf.

By Order of the Board

24 July 2018

D A Cohen  
Chair



# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINCOLNSHIRE WILDLIFE TRUST

### Opinion

We have audited the financial statements of Lincolnshire Wildlife Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the group and the Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and its Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2018, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## **Responsibilities of Trustees**

As explained more fully in the Board's responsibilities statement set out on page 20, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Christopher Shelbourne MA FCA (Senior Statutory Auditor)  
For and on behalf of Wright Vigar Limited  
Statutory Auditors, Chartered Accountants and Business Advisors  
15 Newland  
Lincoln  
LN1 1XG

24 July 2018

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating the consolidated income and expenditure account) For the year ended 31 March 2018

	Notes	Unrestricted Income £	Restricted Income £	Designated & Endowment Funds £	Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and legacies	2	940,160	764,073	0	1,704,233	918,711
Charitable activities	3	786,111	1,338,239	0	2,124,350	1,569,805
Other trading activities	9	82,395	0	0	82,395	73,427
Investments	11	195,462	4,565	0	200,027	183,905
Other		19,411	0	100,000	119,411	66,418
<b>Total</b>		<b>2,023,539</b>	<b>2,106,877</b>	<b>100,000</b>	<b>4,230,416</b>	<b>2,812,266</b>
<b>Expenditure on:</b>						
Raising Funds	4	240,019	0	0	240,019	263,586
Charitable activities	8	2,023,039	931,012	0	2,954,051	2,783,601
<b>Total</b>		<b>2,263,058</b>	<b>931,012</b>	<b>0</b>	<b>3,194,070</b>	<b>3,047,187</b>
Net (losses)/gains on investments	11	43,828	0	(7,796)	36,032	451,561
<b>Net income/(expenditure)</b>		<b>(195,691)</b>	<b>1,175,865</b>	<b>92,204</b>	<b>1,072,378</b>	<b>216,640</b>
Transfers between funds	10,16, 17,19	(415,051)	(88,000)	503,051	0	0
<b>Other recognised gains/(losses):</b>						
Actuarial (losses) on defined benefit pension schemes	21	(13,565)	0	0	(13,565)	(239,275)
<b>Net movement in funds</b>		<b>(624,307)</b>	<b>1,087,865</b>	<b>595,255</b>	<b>1,058,813</b>	<b>(22,635)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		5,722,089	474,862	8,207,972	14,404,923	14,427,558
<b>Total funds carried forward</b>		<b>5,097,782</b>	<b>1,562,727</b>	<b>8,803,227</b>	<b>15,463,736</b>	<b>14,404,923</b>

The statement of financial activities contains all gains and losses for the year and all activities relate to continuing operations.

The profit for the purposes of the Companies Act 2006 is the net incoming resources before unrealised losses/gains.

The notes on pages 26 to 38 form part of these financial statements

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 31 MARCH 2018

	Notes	Group		Company	
		2018	2017	2018	2017
		£	£	£	£
<b>Fixed Assets</b>					
Heritage assets	10	8,118,954	8,015,903	8,118,954	8,015,903
Tangible assets	10	986,121	1,077,004	982,229	1,071,245
Investments	11	4,944,984	4,808,811	4,969,984	4,833,811
<b>Total fixed assets</b>		<b>14,050,059</b>	<b>13,901,718</b>	<b>14,071,167</b>	<b>13,920,959</b>
<b>Current Assets</b>					
Stocks	12	43,007	42,266	19,650	19,650
Debtors	13	1,787,357	485,905	1,814,399	591,465
Cash at bank and in hand	14	789,131	1,009,519	755,654	896,323
<b>Total current assets</b>		<b>2,619,495</b>	<b>1,537,690</b>	<b>2,589,703</b>	<b>1,507,438</b>
<b>Liabilities</b>					
Creditors:					
Amounts falling due within one year	15	449,193	227,434	446,134	223,915
<b>Net Current Assets</b>		<b>2,170,302</b>	<b>1,310,256</b>	<b>2,143,569</b>	<b>1,283,523</b>
<b>Net Assets less Current Liabilities</b>		<b>16,220,361</b>	<b>15,211,974</b>	<b>16,214,736</b>	<b>15,204,482</b>
<b>Creditors:</b>					
Amounts falling due after one year	15	163,125	168,750	163,125	168,750
Pension provision	21	593,500	638,301	593,500	638,301
<b>Total net assets or liabilities</b>		<b>15,463,736</b>	<b>14,404,923</b>	<b>15,458,111</b>	<b>14,397,431</b>
<b>The funds of the charity</b>					
Endowment & Designated funds	16	8,311,023	8,207,972	8,311,023	8,207,972
Restricted Endowment Fund	17	492,204	0	492,204	0
Restricted income funds	18	1,562,727	474,862	1,562,727	474,862
Unrestricted funds	19	5,097,782	5,722,089	5,092,157	5,714,597
		<b>15,463,736</b>	<b>14,404,923</b>	<b>15,458,111</b>	<b>14,397,431</b>

The financial statements were approved by the Board of Trustees on 24 July 2018 and were signed on its behalf by:

..... P Stapleton - Treasurer

..... D A Cohen - Chair

Company Number 00461863

The notes on pages 26 to 38 form part of these financial statements

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2018

	2018 £	2018 £	2017 £	2017 £
<b>Cash Flows from operating activities:</b>				
Net cash provided by (used in) operating activities		(190,266)		164,311
<b>Cash flows from investing activities:</b>				
Dividends, interest and rents from investments	200,027		183,905	
Proceeds from the sale of property, plant and equipment	42		624	
Proceeds from the sale of investments	222,859		0	
Purchase of property, plant, equipment and heritage assets	(130,050)		(427,969)	
Purchase of investments	(323,000)		0	
Transfer of bequeathed property - Current asset investment	0		245,000	
<b>Net cash provided by (used in) investing activities</b>		<b>(30,122)</b>		<b>1,560</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(220,388)</b>		<b>165,871</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		1,009,519		843,648
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>789,131</b>		<b>1,009,519</b>
<b>Net income/(expenditure) for the reporting period (as per statement of financial activities)</b>		<b>1,058,813</b>		<b>(22,635)</b>
<b>Adjustments for:</b>				
Depreciation inc Lapwings		117,879		100,020
(Gains)/losses of investments		(36,032)		(451,561)
Dividends, interest and rents from investments		(200,027)		(183,905)
Loss/(profit) on the sale of fixed assets		(39)		(363)
(Increase)/decrease in stock		(741)		(9,533)
(Increase)/decrease in debtors		(1,301,452)		553,087
Increase/(decrease) in creditors		216,134		(3,294)
Pension contributions in period		(58,366)		(56,780)
Pension provision in period		13,565		239,275
<b>Net cash inflow from operating activity</b>		<b>(190,266)</b>		<b>164,311</b>

The notes on pages 26 to 38 form part of these financial statements

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2018

### 1. ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements have been prepared in accordance with Charity Commission Statement of Recommended Practice - Accounting and Reporting by provisions of the Charities SORP (FRS 102) – Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015) and the Companies Act 2006.

Lincolnshire Wildlife Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements have been prepared under the historic cost convention, with the exception of listed investments which are included at their market value.

None of the group's activities were acquired or discontinued during the financial year.

The recognised gains or losses of the group are disclosed in the consolidated statement of financial activities.

The Lincolnshire Wildlife Trust is a private company, limited by guarantee and is registered in England and Wales. The company's registered number and registered office address can be found in the Reference and Administrative Details of the report of the Trustees.

#### Consolidation

The results of Lincolnshire Wildlife Trust and its wholly owned subsidiaries and Lapwings Consultants Limited, have been consolidated and group accounts have been presented.

A separate income and expenditure account for the holding company is not presented as permitted by section 230 of the Companies Act 2006.

#### Voluntary Income

Voluntary income is received by way of donations and gifts, legacies, subscriptions and fund raising activities. This income is credited to the income and expenditure account on the earlier of receipt or when receipt is probable, the value can be ascertained and the Trust gets the legal right to the income. Tax refunds on gift aid income are however accrued as earned.

#### Legacies

Legacies are recognised when the conditions of 'entitlement, probability and measurement' are met. Each bequest is recognised once a reasonable estimate of its value can be made and providing there is no evidence of any significant contentious claims against the deceased's estate. Where the Trust is left part of the residue of an estate, the deceased's Will, initial statement of assets and liabilities and draft estate accounts are used to calculate the estimated value of the bequest. This estimate is only recognised as income once the executors have proved the Will (i.e. obtained probate). Probate values will normally be used to measure value.

#### Grants Received

Capital grants received for Fixed Assets are taken to the Capital Grants Fund and are released to the Income and Expenditure Account in instalments relating to the relevant asset lives to match the associated depreciation charge. Grants are treated as restricted whilst restrictions exist on the underlying assets and are transferred to unrestricted when such restrictions cease to apply. Revenue grants are credited to the Income and Expenditure account in the period in which they are receivable.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## **Investment Income**

Income on fixed interest investments is accounted for on an accruals basis. Dividends on investments are credited to revenue when the income becomes payable.

## **Deferred Income**

Rents received in advance are spread over the expected term of the lease and recognised when the charity gains legal entitlement to the rent.

## **Expenditure**

All expenditure, other than that which has been capitalised, is included in the income and expenditure account. Account is also taken of goods and services received at the year end but not invoiced until after this date. Support costs are allocated to charitable activities and other cost centres with reference to the percentage of payroll costs attributable to each cost centre.

## **Investment Properties**

Investment properties are valued at the lower of cost or fair value at the year end.

## **Fixed Assets**

Tangible fixed assets costing more than £500 are capitalised and included at cost, including any incidental expenses of acquisition.

Nature reserves incur expenditure on structures such as hides and fencing on land. Such expenditure is not capitalised unless it will enhance the value of the Reserve.

## **Depreciation**

No depreciation is provided on Freehold Land, which is considered to have a useful life of more than 50 years.

The estimated remaining useful life of the Freehold Buildings exceeds 50 years and it is considered that the depreciation charge and accumulated depreciation are immaterial.

Depreciation is provided on a straight line basis to write off the depreciable value of all other fixed assets over their expected useful lives as follows:

Motor vehicles	25%
Plant fixtures and fittings	10-25%
Other buildings	0-10%
Heritage assets	Not depreciated

## **Stock**

Stock is stated at the lower of cost and net realisable value.

## **Permanent Endowment Fund**

Transactions and other events which increase or decrease the amount of this fund are not dealt with in the income and expenditure account. The movement is recognised within the Statement of Financial Activities.

## **Restricted Funds**

The charity's restricted funds are those where the donor or grant giving body has imposed restrictions on their use.

## **Pensions**

The company offers two pension arrangements; there is a Royal London Group Personal Pension scheme and The Wildlife Trust Pension Scheme (WTPS). The WTPS has two categories of membership: defined benefit and defined contribution. Contributions in respect of both the WTPS defined contribution and the Royal London Group Personal Pension scheme are charged to the profit and loss account as they become payable in accordance with the rules of the schemes. The defined benefit scheme is closed to new members, a provision has been made for future liabilities and repayments made in the year are set against the provision. Further details of the pension arrangements are given in Note 21 to these accounts.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## Investments

Investments which can be publically traded have been measured at fair value (middle market value) in accordance with SORP 2015 Accounting and Reporting by Charities but contrary to the Companies Act 2006 in order to give a true and fair view. The corresponding revaluation reserve is included in the Conservation Fund.

## Heritage Assets

Heritage Assets are nature reserves, capitalised at cost at the date of addition. Any assets donated, where the cost is unknown, are capitalised at valuation at the date of addition. Further details are disclosed within note 10 to the financial statements.

## Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## 2. DONATIONS & LEGACIES

	Unrestricted £	Restricted Income £	2018 £	2017 £
Membership income	739,443	0	739,443	686,038
Grants and donations	71,449	0	71,449	52,734
Legacies	129,268	764,073	893,341	179,939
	<b>940,160</b>	<b>764,073</b>	<b>1,704,233</b>	<b>918,711</b>

At 31 March 2018, our estimate of the value of legacies that had been bequeathed to Lincolnshire Wildlife Trust, but which had not been included in the financial statements, was £50,000 (2017: £14,000).

## 3. CHARITABLE ACTIVITIES

	Unrestricted Income £	Restricted Income £	Total 2018 £	Total 2018 £	Total 2017 £
<b>Nature Reserves</b>					
Environmental Funding	202,061	301,794	503,855		550,045
Local Authority Funding	105,000	49,480	154,480		56,690
Central Government Funding	0	50,310	50,310		70,868
Other Grant Income	0	105,376	105,376		3,776
Donations	0	5,891	5,891		24,386
Earned Income	0	36,356	36,356		35,509
Income from properties	138,438	0	138,438		200,138
Other Incoming resources	12,429	33,183	45,612	<b>1,040,318</b>	42,931
<b>Wider Countryside Conservation</b>					
Local Authority Funding	0	84,250	84,250		57,174
Central Government Funding	0	59,205	59,205		32,402
Other Public Bodies	0	2,500	2,500		6,530
Other Grant Income	0	573,337	573,337		132,229
Earned Income	0	31,804	31,804		34,023
Donations	0	0	0	<b>751,096</b>	400
<b>Inspiring People</b>					
Local Authority Funding	48,500	0	48,500		7,090
Other Grant Income	0	1,555	1,555		4,026
Earned Income	278,662	0	278,662		225,037
Donations	1,021	3,198	4,219	<b>332,936</b>	86,551
	<b>786,111</b>	<b>1,338,239</b>	<b>2,124,350</b>	<b>2,124,350</b>	<b>1,569,805</b>



# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## 4. EXPENDITURE ON RAISING FUNDS

	Unrestricted Income £	Restricted Income £	2018 £	2017 £
Supporter recruitment	174,715	0	174,715	202,660
Recruitment overheads	14,315	0	14,315	6,804
Merchandising	50,989	0	50,989	54,122
<b>Total</b>	<b>240,019</b>	<b>0</b>	<b>240,019</b>	<b>263,586</b>

## 5. EMPLOYEE INFORMATION

	2018 £	2017 £
The movement in the year is after charging:		
Salaries and wages	1,334,920	1,326,197
Social security costs	108,600	107,796
Other pension costs	69,550	69,212
Staff costs for the Company	1,513,070	1,503,205
Staff costs for Lapwings Consultants Limited	500	500
	<b>1,513,570</b>	<b>1,503,705</b>

The average number of employees, during the period, was made up as follows:

Full time	46	45
Part time	29	26
Company Totals	75	71
Lapwings Consultants Limited	1	0
Group Totals	<b>76</b>	<b>71</b>

The average number of employees, during the period, by activity was made up as follows:

Nature Reserves	28	26
Wider Countryside Conservation	13	13
Inspiring People	25	23
Raising Funds	1	1
Management and Administration	8	8
Company Totals	75	71
Lapwings Consultants Limited	1	0
Group Totals	<b>76</b>	<b>71</b>

The Trust operates a Royal London Group Personal Pension defined contribution scheme that all members of staff are eligible to join. The Trust contributes a minimum of 4% of employees' salaries and will match employee contributions to a maximum of 7.5%. The Trust also participates in the Wildlife Trust Pension Scheme, a multi-employer scheme. The levels of contributions into this scheme match are the same as those of the Royal London scheme.

57 members of staff (2017: 59) were members of a scheme at the end of the year.

Pension contributions of £4,909 (2017: £4,832) were made on behalf of higher paid employees.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

The total value of employee benefits received by key management personnel (our senior staff) were £225,082 (2017: £231,504).

<b>Employees paid £60,000 or more</b>	<b>2018</b>	<b>2017</b>
£70,000-£79,999	1	1

## 6. TRUSTEE REMUNERATION AND RELATED PARTY TRANSACTIONS

No members of the Board of Trustees and Directors received any remuneration during the year. No travel costs were reimbursed to any member of the Board during the year (2017: £140 to one).

During the year, the Trust paid one of its Trustees for environmental survey work. This was approved by the Board in advance of the work taking place. The Trustee is considered to be an expert in the relevant field of study and is best placed to complete the study. The total amount paid for the services in the year was £600 (2017:£4,172).

During the year, the Trust paid £1,000 (2017:£1,000) for services to the Humber Nature Partnership, a company in which Mr C Morrison is also a director.

During the year, the Trust received £30 (2017 £40) from Baumber Park Farms Ltd, a company in which Mrs C E Harrison is also a director. This was for grazing rent.

The Trust owns a number of residential properties. During the year one of these was let, on arms-length terms, to members of staff.

Wildlife Fundraising (Central) is a joint venture with 7 other Wildlife Trusts to provide membership recruitments services to the founding members. Recruitment costs of £147,465 (2017: £173,230) were incurred in the year in respect of services received from Wildlife Fundraising (Central) Limited. £10,010 (2017: £15,546) was owed to them as at 31st March 2018 and is included in the Trade Creditors figure in Note 15 on page 35. A loan of £15,000 was made to this company in March 2013 to enable it to commence trade and this is included in Other Debtors in Note 13 on page 35.

The Chief Executive of Lincolnshire Wildlife Trust, Paul Learoyd, is a director of Wildlife Fundraising (Central) Limited and the Humber Nature Partnership.

## 7. ANALYSIS OF SUPPORT COSTS BY CHARITABLE ACTIVITY

	<b>Overhead</b>	<b>IT &amp; HR</b>	<b>Finance</b>	<b>Premises</b>	<b>Governance</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Nature Reserves	133,690	14,635	31,238	15,389	10,184	205,136
Wider Countryside Conservation	83,104	9,097	19,419	9,566	6,331	127,517
Inspiring People	84,308	9,229	19,700	9,705	6,423	129,365
<b>Total</b>	<b>301,102</b>	<b>32,961</b>	<b>70,357</b>	<b>34,660</b>	<b>22,938</b>	<b>462,018</b>

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## 8. ANALYSIS OF TOTAL EXPENDITURE

	Direct Employment Costs £	Support Costs £	Direct Costs £	2018 Total £	2017 Total £
Nature Reserves	537,351	205,136	576,944	1,319,431	1,327,655
Wider Countryside Conservation	334,331	127,517	336,121	797,969	631,954
Inspiring People	339,536	129,365	367,750	836,651	823,992
<b>Charitable Activities</b>	<b>1,211,218</b>	<b>462,018</b>	<b>1,280,815</b>	<b>2,954,051</b>	<b>2,783,601</b>
Raising Funds	27,583	14,315	147,132	189,030	209,464
Merchandising	500	2,730	47,759	50,989	54,122
<b>Total expenditure</b>	<b>1,239,301</b>	<b>479,063</b>	<b>1,475,706</b>	<b>3,194,070</b>	<b>3,047,187</b>

### LINCOLNSHIRE WILDLIFE TRUST

Total resources expended are stated after charging:

#### Auditor's remuneration

The amounts payable to Wright Vigar were:

	2018 £	2017 £
Statutory	8,750	8,635

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## 9. TRADING SUBSIDIARY

### Lapwings Consultants Limited

#### Profit and Loss Account

	Notes	2018 £	2017 £
Turnover		82,395	73,427
Cost of sales		<u>(45,588)</u>	<u>(43,459)</u>
Gross profit		<u>36,807</u>	<u>29,968</u>
Administrative expenses		(17,401)	(10,659)
Trading profit		<u>19,406</u>	<u>19,309</u>
Interest receivable		8	4
Interest payable		<u>(200)</u>	<u>(100)</u>
Operating (loss)/profit on ordinary activities before taxation		19,214	19,213
Tax on profit on ordinary activities		0	(4)
Profit on ordinary activities after taxation		19,214	19,209
Gift Aid to LWT		(21,081)	(8,177)
Retained Profit		<u>(1,867)</u>	<u>11,032</u>
Reserves brought forward		7,492	(3,540)
Reserves carried forward		<u><u>5,625</u></u>	<u><u>7,492</u></u>

#### Balance Sheet as at 31 March 2018

		2018		2017	
		£	£	£	£
Fixed assets			3,892		5,759
Current assets					
Stock		23,357		22,616	
Debtors		0		7,543	
Cash at bank and in hand		<u>33,477</u>		<u>113,196</u>	
		56,834		143,355	
Creditors: Amounts falling due within one year		(3,059)		(3,519)	
Amounts owed to group companies		<u>(27,042)</u>		<u>(113,103)</u>	
Net current assets/(liabilities)			26,733		26,733
<b>Total assets less current liabilities</b>			<u><b>30,625</b></u>		<u><b>32,492</b></u>
<b>Capital and Reserves</b>					
Share Capital	11		25,000		25,000
Profit and Loss Account			5,625		7,492
			<u><b>30,625</b></u>		<u><b>32,492</b></u>

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## 10. FIXED ASSETS

Group	Heritage Assets	Tangible Assets				Total Tangible Assets £
	Nature Reserves £	Banovallum House £	Other Buildings £	Motor Vehicles £	Fixtures Fittings & Equipment £	
Cost:						
At 1 April 2017	8,015,903	417,047	391,491	249,026	1,024,319	2,081,883
Additions	103,051	0	0	0	26,999	26,999
Disposals	0	0	0	0	(1,719)	(1,719)
<b>COST AT 31 MARCH 2018</b>	<b>8,118,954</b>	<b>417,047</b>	<b>391,491</b>	<b>249,026</b>	<b>1,049,599</b>	<b>2,107,163</b>
Depreciation:						
At 1 April 2017	0	0	72,241	197,572	735,066	1,004,879
Provided for the period	0	0	17,030	25,061	75,788	117,879
Disposals	0	0	0	0	(1,716)	(1,716)
<b>DEPRECIATION AT 31 MARCH 2018</b>	<b>0</b>	<b>0</b>	<b>89,271</b>	<b>222,633</b>	<b>809,138</b>	<b>1,121,042</b>
<b>NET BOOK VALUE 31 MARCH 2018</b>	<b>8,118,954</b>	<b>417,047</b>	<b>302,220</b>	<b>26,393</b>	<b>240,461</b>	<b>986,121</b>
<b>NET BOOK VALUE 31 MARCH 2017</b>	<b>8,015,903</b>	<b>417,047</b>	<b>319,250</b>	<b>51,454</b>	<b>289,253</b>	<b>1,077,004</b>

Nature Reserves Additions at Cost	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Kirkby Wood		4,185			
Rush Furlong	3,459				103,051
Woodhall Spa Airfield (Kirkby)		621,658	232		
Birds Wood		1			
Swinn Wood				251,684	
	<b>3,459</b>	<b>625,844</b>	<b>232</b>	<b>251,684</b>	<b>103,051</b>

Tangible assets with a net book value of £982,229 and Heritage assets with a net book value of £8,118,954 are owned by the Parent Company.

The Trustees have consulted a Chartered Surveyor in respect of the net book value of Banovallum House and in their opinion the existing use value exceeds net book value and therefore depreciation is not charged in respect of this property.

The book value shown for nature reserves is based on historical cost and relates to areas of land which the Trust owns and which it manages and maintains. Of the Trust's 100 nature reserves, 73 are partly or wholly freehold. The Trustees believe that the market value of the nature reserves is significantly higher than the book value but they do not propose to carry out a revaluation at the present time since this would be complicated and expensive. The nature reserve values are in any case mostly not realisable and represent a long-term maintenance liability rather than a real asset.

Included within the net book value above is £3,892 (cost: £17,142; depreciation £13,250) which relates to the Fixtures and Fittings of Lapwings Consultants Limited.

Nature Reserves include properties at book value of £353,922 which are subject to a life tenancy.

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## 11. INVESTMENTS

### Group

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Market value at 31 March 2017	4,808,811	4,357,250
Investments made in the year	323,000	0
Disposals	(222,859)	0
Realised losses on disposal	(12,536)	0
Add: Net (losses)/gains on revaluation at 31 March 2018	48,568	451,561
	<hr/>	<hr/>
Market Value at 31 March 2018	4,944,984	4,808,811
	<hr/>	<hr/>
Historical cost as at 31 March 2017	<b>3,626,367</b>	<b>3,526,226</b>

The above market value can be analysed as follows:

	<b>INVESTMENT INCOME</b>		<b>MARKET VALUE</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
UK Listed Investments - unrestricted	195,462	183,905	4,879,984	4,743,811
UK Listed Investments - restricted	4,565	0	0	0
UK Investment Property	0	0	65,000	65,000
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>200,027</b>	<b>183,905</b>	<b>4,944,984</b>	<b>4,808,811</b>

The investment figure in the company balance sheet also includes £25,000 which is the nominal value of the shares held in its wholly owned subsidiary Lapwings Consultants Limited.

## 12. STOCK

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Goods for resale	23,357	22,616	0	0
Café stock	2,250	2,250	2,250	2,250
Livestock	12,400	12,400	12,400	12,400
Consumables	5,000	5,000	5,000	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>43,007</b>	<b>42,266</b>	<b>19,650</b>	<b>19,650</b>

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## 13. DEBTORS

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Owed by group companies	0	0	27,042	113,103
Trade Debtors	213,669	94,735	213,669	94,735
Other Debtors	1,137,631	277,950	1,137,631	275,199
VAT	0	4,400	0	4,380
Prepayments	272,387	80,096	272,387	75,324
Legacies Receivable	163,670	28,724	163,670	28,724
	<b>1,787,357</b>	<b>485,905</b>	<b>1,814,399</b>	<b>591,465</b>

The amount owed by Group Companies includes a loan to Lapwings Consultants Limited of £10,000 (2017: £5,000). Interest is payable on the loan at 2 per cent per annum.

## 14. CASH AT BANK & IN HAND

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Bank balances	366,656	386,274	333,179	273,848
COIF Charities Deposit Fund	420,000	620,000	420,000	620,000
Cash in hand	2,475	3,245	2,475	2,475
	<b>789,131</b>	<b>1,009,519</b>	<b>755,654</b>	<b>896,323</b>

## 15. CREDITORS

### Falling due within one year

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
VAT	21,591	0	21,591	0
Trade Creditors	80,820	137,251	79,659	135,640
Other Creditors	344	0	344	0
Accruals	306,469	76,726	304,571	74,818
PAYE & Pension	34,344	7,832	34,344	7,832
Deferred Income re Badger Farm	5,625	5,625	5,625	5,625
	<b>449,193</b>	<b>227,434</b>	<b>446,134</b>	<b>223,915</b>

### Falling due after one year

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Deferred Income re Badger Farm	163,125	168,750	163,125	168,750
	<b>163,125</b>	<b>168,750</b>	<b>163,125</b>	<b>168,750</b>

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## Deferred Income Resources

Deferred Income:	<b>2018</b>	<b>2017</b>
	£	£
Deferred Income at 1 April 2017	174,375	180,000
Amount Released in Year	(5,625)	(5,625)
Deferred Income at 31 March 2018	<b>168,750</b>	<b>174,375</b>

## 16. PERMANENT ENDOWMENT AND DESIGNATED FUNDS

In accordance with the Trust's accounting policies (see Note 1) the Trust's freehold nature reserves and other heritage assets are capitalised at the date of acquisition. No re-valuation is made subsequently. Most nature reserve acquisitions are made with the assistance of restricted grants and donations. It is the Trust's practice to designate sufficient unrestricted income to top up the funds to match the historical value. The funds are therefore presented in two parts: endowment (restricted and non-expendable) and designated (unrestricted and theoretically expendable). For all practical purposes the nature reserve assets cannot be disposed of, but the unrestricted portion of the value is theoretically disposable.

	<u>Endowment</u>	<u>Designated</u>	<u>Total</u>
	£	£	£
Fund balances as at 1 April 2017:	4,512,248	3,695,724	8,207,972
Designated from unrestricted Funds:	0	15,051	15,051
Designated from restricted Funds:	0	88,000	88,000
Fund balances as at 31 March 2018:	<b>4,512,248</b>	<b>3,798,775</b>	<b>8,311,023</b>

The Funds are represented by the following:

Nature Reserves* owned by the charity	£ 8,118,954
Banovallum House (Trust Headquarters) - proportion	117,551
Sykes Farm Improvements	74,518
	<b>8,311,023</b>

\* Nature Reserves includes other land held for conservation purposes but not formally designated as nature reserves.

## 17. RESTRICTED ENDOWMENT FUND

In accordance with the funding conditions of the Heritage Lottery Fund, the Catalyst Fund has been accounted for as a separate endowment fund. The funding was given as an endowment with the income to be applied to support the nature reserves of the charity. The endowment cannot be expended until 1 January 2022 and at this point any withdrawal of capital must be in line with the terms and conditions of the funding agreement.

	<b>Balance</b>	<b>Incoming</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Investment</b>	<b>Balance</b>
	<b>01 April 2017</b>	<b>Resources</b>	<b>£</b>	<b>£</b>	<b>Unrealised</b>	<b>31 March 2018</b>
	£	£	£	£	<b>Loss</b>	£
					£	
Heritage Lottery						
Fund Catalyst	0	100,000	0	400,000	(7,796)	492,204

### **Summary of Endowment Funds**

Funds balances as at 31 March 2018:37	£
Represented by nature reserves & heritage assets	
Endowment Funds	4,512,248
Designated Funds	3,798,775
HLF Catalyst Fund	492,204
<b>Total</b>	<b>8,803,227</b>



# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## 18. RESTRICTED INCOME FUNDS

	Balance as at 31 March 2017 £	Incoming Resources £	Resources Expended £	Funds Transfer £	Balance as at 31 March 2018 £
Coastal Grazing Marshes	29,429	0	0	0	29,429
Greater Lincolnshire Nature Partnership	255,516	169,147	(149,173)	0	275,490
Fens for the Future	8,520	0	(2,597)	0	5,923
Wildflower Meadow Network HLF	4,257	7,630	(11,887)	0	0
Lincolnshire Plants Past & Future HLF	10,700	491,744	(258,895)	0	243,549
Nature Reserve Trainee	17,667	21,000	(18,279)	0	20,388
South Lincolnshire Fens	11,456	33,520	(14,477)	0	30,499
Little Tern Project	55	17,376	(7,668)	0	9,763
Coastal Ranger	0	20,000	(10,000)	0	10,000
Marine Planning Officer	18,465	33,430	(21,392)	0	30,503
Natural England Saltfleetby	0	36,000	(36,000)	0	0
Trees For Schools	4,026	1,555	(5,581)	0	0
Catalyst Fund Income	0	4,565	0	0	4,565
Legacy - Angela Bates	0	750,000	0	0	750,000
Legacy - Doris Palmer	0	14,073	0	0	14,073
Environmental Funding	0	301,794	(293,424)	0	8,370
Local Authority Funding	0	67,189	(67,189)	0	0
Central Government Funding	0	13,182	(13,182)	0	0
Other funds	114,771	124,672	(21,268)	(88,000)	130,175
<b>Total</b>	<b>474,862</b>	<b>2,106,877</b>	<b>(931,012)</b>	<b>(88,000)</b>	<b>1,562,727</b>

## 19. UNRESTRICTED FUNDS

	Balance 31 March 2017 £	Incoming Resources £	Resources Expended £	Funds Transfer £	Balance 31 March 2018 £
Conservation Fund	3,821,727	56,364	(12,536)	(400,000)	3,465,555
Legacy Equalisation Fund	900,000	0	(93,706)	0	806,294
Capital Grants Funds	82,316	0	(18,278)	0	64,038
Development Fund	418,046	2,023,539	(2,164,639)	(15,051)	261,895
General Fund	500,000	0	0	0	500,000
	<b>5,722,089</b>	<b>2,079,903</b>	<b>(2,289,159)</b>	<b>(415,051)</b>	<b>5,097,782</b>

During the period £400,000 of unrestricted funds were transferred to the Catalyst Fund, a restricted endowment fund. This released £100,000 of match funding from the Heritage Lottery Fund (see note 17).

## 20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total Funds £
Fund Balances at 31 March 2018 are represented by:					
Heritage assets	0	0	3,718,036	4,400,918	8,118,954
Tangible assets	794,052	0	80,739	111,330	986,121
Investments	4,452,780	0	0	492,204	4,944,984
Current assets	823,341	1,796,154	0	0	2,619,495
Current liabilities	(215,766)	(233,427)	0	0	(449,193)
Long term liabilities	(163,125)	0	0	0	(163,125)
Pension Provision	(593,500)	0	0	0	(593,500)
<b>TOTAL NET ASSETS</b>	<b>5,097,782</b>	<b>1,562,727</b>	<b>3,798,775</b>	<b>5,004,452</b>	<b>15,463,736</b>

# LINCOLNSHIRE WILDLIFE TRUST

Company No: 00461863  
Charity No: 218895

## 21. PENSION ARRANGEMENTS

Lincolnshire Wildlife Trust operates two pension arrangements: a Royal London group personal pension, and The Wildlife Trusts Pension Scheme.

### The Wildlife Trusts Pension Scheme (WTPS)

The WTPS is a multi-employer scheme with RSWT acting as the lead employer on behalf of 25 other Wildlife Trusts, including Lincolnshire. The Scheme's assets are held separately from those of RSWT and the Wildlife Trusts. The WTPS has two categories of membership: defined benefit and defined contribution.

The defined benefit or 'final salary' category closed to future accrual of benefits in October 2005. Due to ongoing matters regarding historical debts it is not currently possible to consistently identify the assets and liabilities of the WTPS that are attributable to the Trust. As allowed by section 17 of FRS 102 'Retirement and post-employment benefits', the Trust accounts for this scheme as if it were a defined contribution scheme. The Trust continues to make contributions to eliminate the scheme deficit. The level of contributions is agreed with WTPS trustees following triennial actuarial valuations. The latest triennial valuation (also known as the 'scheme funding assessment') was carried out for 1 April 2016 and updated to 1 April 2017 by a qualified independent actuary. The valuation at 1 April 2017 indicated that the scheme was 69% funded on an ongoing basis, with a funding shortfall of £5.9 million. The main assumptions used in this calculation are shown below:

Discount rate: pre-retirement	3.91%
Discount rate: post-retirement	1.66%
Price inflation: RPI%	3.30%
Price inflation: CPI%	2.50%

The latest recovery plan requires the Trust to make contributions towards the deficit of £71,496 per annum from August 2018, increasing by 3% per annum for a period of 8 years to August 2026. This equates to 8.4% of the total contribution being paid by The Wildlife Trusts.

The net present value of the Trust's contributions (discounted using a rate of 2.58%, which is based on iboxx's 15 year AA rated corporate bond yield) is £593,500. This has been recognised as a liability in the Trust's accounts.

The movement in the provision for the year ended 31 March 2018 is shown below:

	£
Balance brought forward	(638,301)
Repayments in the year	58,366
Additional provision in the year	(13,565)
Balance carried forward	<u>(593,500)</u>

## 22. CAPITAL COMMITMENTS

The group had no capital commitments at 31 March 2018 (2017: nil).